

November 3, 2000

To: Delta Protection Commission

From: Margit Aramburu, Executive Director

Subject: Update on Prospect Island Ecosystem Restoration Project

Purpose of the Proposed Project:

The purpose of the project includes restoration of shallow water and riparian habitat, and enhanced habitat for avian and terrestrial species. The proposed project includes excavating a system of channels through the site; constructing berms along portions of the levees surrounding the project and creating islands from material excavated from the channel alignment; plantings; and breaching exterior levees in two locations.

Proposed Changes to the Project:

The project that was approved in 1999 included two openings to allow water circulation: one in the western levee along the Deep Water Ship Channel and one in the eastern levee along Miner Slough. Both breaches would have been toward the southern end of the project area.

The revised project will leave the Deep Water Ship Channel levee intact, and will instead create two openings to Miner Slough, one at the north end of the project areas and one at the south end. Two alternatives for the north opening are under consideration. The north opening will flow either through two large culverts allowing the existing road to a private inholding to be retained, or through a 40 foot wide breach. Eliminating the opening in the Deep Water Ship Channel eliminates one of the benefits of the earlier project of providing an alternate route for migratory salmon that enter the Deep Water Ship Channel. However, analysis of the revised design shows improved water quality and habitat benefits. This design alternative was not evaluated in the previous environmental documents, and a supplemental environmental document will be recirculated.

In addition, the supplemental environmental document will address the "no project" alternative, to reflect the lack of on-going agriculture on the Island. The project sponsors have new information and analysis that indicates that agriculture is not economically viable on the Island. The U.S. Bureau of Reclamation owns and manages Prospect

Island. If the Corps and DWR do not construct the Habitat Restoration Project, the Bureau will passively manage the land and would not propose any changes to existing conditions.

Past Commission Briefings and Actions:

In June, 1995, staff of the Corps of Engineers briefed the Commission of the proposed project and the Commission considered a resolution of support for the project. The Commission asked that the Corps return and address issues raised including: possible seepage on adjacent

properties; possible impacts and or restrictions to normal agricultural practices; project costs; and possible cumulative regional impact to agriculture (see attached July 13, 1995 letter)

In July, 1999, staff of the Corps of Engineers briefed the Commission on the status of the proposed project. Commissioner comments included long term maintenance of the levees; seepage issues; and cumulative impacts of the loss of agricultural lands in the Delta associated with habitat restoration.

Background:

In 1988, the Army Corps and the National Marine Fisheries Service initiated a study exploring the concept of reducing levee maintenance costs associated with maintaining the levee along the Sacramento Deep Water Ship Channel. At that time, maintenance of the levees required federal expenditures of \$311,000 annually. Funding for a reconnaissance report for flood control, environmental restoration, and related purposes was included in the 1994 Energy and Water Development Appropriations Act; the reconnaissance report was released in April, 1995. The 1994 Act also included \$1.9 million for "land retirement and water acquisition for fisheries habitat restoration and creation" and included \$1.5 million for acquisition of Prospect Island by the Bureau of Reclamation.

In 1993, Trust for Public Land negotiated an option for purchase of Prospect Island from Sakata Brothers, Inc. The land was purchased for \$2.8 million, or \$2,200 an acre. The Island covers 1,228 acres.

The proposed project would be constructed jointly by the Corps and Department of Water Resources; eventually both agencies would transfer their interests in the property to the U.S. Fish and Wildlife Service.

Project Status:

A Negative Declaration was released in October 1997 as part of "Draft Prospect Island Project Modification Report". Staff prepared and submitted comments dated

December 1, 1997 (see attached December 1, 1997 letter). The "Final Ecosystem Restoration Report and Environmental Assessment/Initial Study" was released July 1999. Staff prepared and submitted comments dated June 3, 1999 (see attached letter).

The Reclamation Board reviewed the proposed project at its October 1999 and January 2000 meetings and postponed approving the proposed Memorandum of Understanding until additional information could be submitted.

The U.S. fish and Wildlife Service released its environmental assessment of creation of a North Delta National Wildlife Refuge in December 1999. The document included Prospect as part of the Refuge in several of the analyzed alternatives. No further documents regarding the proposed refuge have been released.

A Draft Finding of No Significant Impact was circulated in June, 2000; staff submitted a brief letter (see letter dated June 9, 2000).

RD 501 and Islands Inc. filed a lawsuit about the adequacy of the environmental document for the proposed project under National environmental Policy Act (NEPA) and California Environmental Quality Act (CEQA) on July 18, 2000.

The Corps and DWR proposed to circulate for public comment a supplemental Environmental Assessment/Initial Study with a proposed FONSI and Negative Declaration. The supplemental document will provide analysis of the new design and existing conditions and basis for the draft FONSI/Negative Declaration.

Project Funding:

Funds for acquisition came from the 1994 Energy and Water Development Appropriations Act. Authority for the restoration is derived from Section 1135 of the Water Resources Development Act of 1986, which requires 25% local matching funds. Funding for the project has been provided through the Corps' Continuing Authorities Program since 1977. In 1996, \$2.5 million was allocated from Category III funds to Corps and DWR; half as matching local funding for the project construction and half for long-term operations and management. In 1998, \$2 million in Category III funds were granted to the Corps for repair of levees around Prospect and the draining of the Island. In 1999, \$915,000 of Category III funds were granted to DWR for developing a baseline for monitoring of the proposed restoration project.

Project Location:

The project is located in Solano County in the Primary Zone of the Delta. The project is bounded on the west by the Deep Water Ship Channel, to the north by agricultural lands and an east-west levee from Arrowhead Marina to the Ship Channel, to the east by Miner Slough, and to the south by lands owned by the Port of Sacramento (309 acres) and Department of Fish and Game (36 acres). The project is located about eight miles east of the North Bay Aqueduct diversion at Barker Slough.

Prospect Island is located with the Yolo Bypass which is part of the Sacramento River Flood Control Project. The project is located to the east of the Sacramento Deep Water Ship Channel and is separated from the main portion of the Bypass by the two levees along the Deep Water Ship Channel.

Description of the Site:

The Island is flat with levees ringing the island. The levees range from about 10 feet to 17 feet above mean sea level the Ship Channel and Miner slough levees are riprapped. There is a bench of up to 40 feet wide outside the levee. The Island slopes from north (+2) to the south (-5). Groundwater is 1 to 4 feet below the surface. The soils are organic, erodible and soft, including Sacramento silty clay loam, Ryde clay loam, Columbia fine sandy loam, Valdez loam, and dredge spoils. About two-thirds of the perimeter of the Island is ringed with riparian vegetation on the bench outside the levee. Under the terms of State-owned flowage easements in the Yolo Bypass, no buildings are allowed.

Land Uses:

The final environmental document states the Bureau's property has not been farmed since 1994. Historically, the Island was used for row crop and grain productions including corn, safflower, sugar beets, and wheat. There is no recreational use and no public roads on Prospect Island.

History of Flooding:

The Ship Channel Levee is maintained by the Corps, the other levees were maintained by RD 1667 and are now the responsibility of the Bureau. Prospect Island flooded in 1980, 1982, 1983, 1986, 1995, and 1997.

Legal Proceedings:

RD 501 and Islands Inc, filed a lawsuit about the adequacy of the environmental document for the proposed project under the National Environmental Policy Act and the California Environmental Quality Act in September 1999.